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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-059, C-533-874]

Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People's Republic of China and India: Countervailing Duty Orders

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing countervailing duty orders on certain cold-drawn mechanical tubing of carbon and alloy steel (cold-drawn mechanical tubing) from the People's Republic of China (China) and India.

DATES: [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Shanah Lee at (202) 482-6386, AD/CVD Operations, Office III, and Ryan Mullen at (202) 482- 5260, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

In accordance with section 705(d) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.210(c), on December 11, 2017, Commerce published its affirmative final determinations in the countervailing duty investigations of cold-drawn mechanical tubing from

China and India.¹ On January 24, 2018, the ITC notified Commerce of its final affirmative determination, pursuant to section 705(d) of the Act, that an industry in the United States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act, by reason of subsidized imports of cold-drawn mechanical tubing from China and India.² Further, the ITC determined that critical circumstances do not exist with respect to imports of cold-drawn mechanical tubing from China.

Scope of the Orders

The product covered by these orders is cold-drawn mechanical tubing from China and India. For a complete description of the scope of these orders, *see* the Appendix to this notice.

Countervailing Duty Orders

As stated above, on January 24, 2018, in accordance with sections 705(d) of the Act, the ITC notified Commerce of its final determination that an industry in the United States is materially injured by reason of subsidized imports of cold-drawn mechanical tubing from China and India.³ Therefore, in accordance with section 705(c)(2) of the Act, Commerce is issuing these countervailing duty orders. Because the ITC determined that imports of cold-drawn mechanical tubing from China and India are materially injuring a U.S. industry, unliquidated entries of such merchandise from China and India, entered or withdrawn from warehouse for consumption, are subject to the assessment of countervailing duties.

¹ *See Countervailing Duty Investigation of Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People's Republic of China: Final Affirmative Determination, and Final Affirmative Determination of Critical Circumstances, in Part*, 82 FR 58175 (December 11, 2017) (*China Final Determination*); and *Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India: Final Affirmative Countervailing Duty Determination*, 82 FR 58172 (December 11, 2017).

² *See* letter from the ITC concerning imports of cold-drawn mechanical tubing from China and India (Investigation Nos. 701-TA-576-577 (Final)), dated January 24, 2018 (ITC Notification Letter).

³ *See* ITC Notification Letter.

As a result of the ITC's final determination, in accordance with section 706(a) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, countervailing duties on unliquidated entries of cold-drawn mechanical tubing from China and India entered, or withdrawn from warehouse, for consumption on or after September 25, 2017, the date of publication of the *Preliminary Determinations*,⁴ but will not include entries occurring after the expiration of the provisional measures period and before publication in the *Federal Register* of the ITC's final injury determination.

Suspension of Liquidation

In accordance with section 706 of the Act, Commerce will instruct CBP to reinstitute the suspension of liquidation on all entries of subject merchandise from China and India, applicable the date of publication of the ITC's notice of final affirmative injury determination in the *Federal Register*, and to assess, upon further instruction by Commerce pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. We will also instruct CBP to require cash deposits for each entry of subject merchandise as indicated below. These instructions suspending liquidation will remain in effect until further notice. The all-others rate applies to all producers or exporters not specifically listed, as appropriate.

⁴ See *Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 82 FR 44562 (September 25, 2017); see also *Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India: Preliminary Affirmative Countervailing Duty Investigation*, 82 FR 44558 (September 25, 2017) (collectively, *Preliminary Determinations*).

Exporter/Producer from China	Subsidy Rate (Percent)
Jiangsu Hongyi Steel Pipe Co., Ltd. ⁵	21.41
Zhangjiagang Huacheng Import & Export Co., Ltd. ⁶	18.27
All-Others	19.84
Exporter/Producer from India	Subsidy Rate (Percent)
Goodluck India Limited	8.02
Tube Investments of India Limited	42.60
All-Others	22.40

Critical Circumstances

With regard to the ITC's negative critical circumstances determination on imports of cold-drawn mechanical tubing from China, we will instruct CBP to lift suspension and to refund any cash deposits made to secure the payment of estimated countervailing duties with respect to entries of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after June 27, 2017 (*i.e.*, 90 days prior to the date of the publication of the *Preliminary Determination*), but before September 25, 2017 (*i.e.*, the date of publication of the *Preliminary Determination*).

⁵ In *China Final Determination*, Commerce continued to find the following companies to be cross-owned with Jiangsu Hongyi Steel Pipe Co., Ltd.: Hongren Precision Pipe Manufacturing Co., Ltd and Changzhou Kemeng Mechanical Equipment Co., Ltd.

⁶ See *Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People's Republic of China: Notice of Correction to Final Affirmative Countervailing Duty Determination of Critical Circumstances, In Part*, 83 FR 351 (January 3, 2018) (*China Correction Notice*). In *China Correction Notice*, Commerce clarified the names of the companies it found to be cross-owned with Zhangjiagang Huacheng Import & Export Co., Ltd.: Jiangsu Huacheng Industry Pipe Making Corporation, Zhangjiagang Salem Fine Tubing Co., Ltd., Zhangjiagang Huacheng Investment Holding Co., Ltd., Zhangjiagang HZB Special Material Technology Co., Ltd. and Zhangjiagang Huacheng Special Materials Corporation.

Notification to Interested Parties

This notice constitutes the countervailing duty orders with respect to cold-drawn mechanical tubing from China and India pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders at <http://enforcement.trade.gov/stats/iastats1.html>.

These orders are issued and published in accordance with section 706(a) and 19 CFR 351.211(b).

Dated: January 26, 2018.

P. Lee Smith,
Deputy Assistant Secretary
for Policy and Negotiations.

Appendix

Scope of the Orders

The scope of these orders covers cold-drawn mechanical tubing of carbon and alloy steel (cold-drawn mechanical tubing) of circular cross-section, 304.8 mm or more in length, in actual outside diameters less than 331mm, and regardless of wall thickness, surface finish, end finish or industry specification. The subject cold-drawn mechanical tubing is a tubular product with a circular cross-sectional shape that has been cold-drawn or otherwise cold-finished after the initial tube formation in a manner that involves a change in the diameter or wall thickness of the tubing, or both. The subject cold-drawn mechanical tubing may be produced from either welded (e.g., electric resistance welded, continuous welded, etc.) or seamless (e.g., pierced, pilgered or extruded, etc.) carbon or alloy steel tubular products. It may also be heat treated after cold working. Such heat treatments may include, but are not limited to, annealing, normalizing, quenching and tempering, stress relieving or finish annealing. Typical cold-drawing methods for subject merchandise include, but are not limited to, drawing over mandrel, rod drawing, plug drawing, sink drawing and similar processes that involve reducing the outside diameter of the tubing with a die or similar device, whether or not controlling the inside diameter of the tubing with an internal support device such as a mandrel, rod, plug or similar device. Other cold-finishing operations that may be used to produce subject merchandise include cold-rolling and cold-sizing the tubing.

Subject cold-drawn mechanical tubing is typically certified to meet industry specifications for cold-drawn tubing including but not limited to:

(1) American Society for Testing and Materials (ASTM) or American Society of Mechanical Engineers (ASME) specifications ASTM A-512, ASTM A-513 Type 3 (ASME SA513 Type 3), ASTM A-513 Type 4 (ASME SA513 Type 4), ASTM A-513 Type 5 (ASME SA513 Type 5), ASTM A-513 Type 6 (ASME SA513 Type 6), ASTM A-519 (cold-finished);

(2) SAE International (Society of Automotive Engineers) specifications SAE J524, SAE J525, SAE J2833, SAE J2614, SAE J2467, SAE J2435, SAE J2613;

(3) Aerospace Material Specification (AMS) AMS T-6736 (AMS 6736), AMS 6371, AMS 5050, AMS 5075, AMS 5062, AMS 6360, AMS 6361, AMS 6362, AMS 6371, AMS 6372, AMS 6374, AMS 6381, AMS 6415;

(4) United States Military Standards (MIL) MIL-T-5066 and MIL-T-6736;

(5) foreign standards equivalent to one of the previously listed ASTM, ASME, SAE, AMS or MIL specifications including but not limited to:

(a) German Institute for Standardization (DIN) specifications DIN 2391-2, DIN 2393-2, DIN 2394-2);

(b) European Standards (EN) EN 10305-1, EN 10305-2, EN 10305-4, EN 10305-6 and European

national variations on those standards (e.g., British Standard (BS EN), Irish Standard (IS EN) and German Standard (DIN EN) variations, etc.);

(c) Japanese Industrial Standard (JIS) JIS G 3441 and JIS G 3445; and

(6) proprietary standards that are based on one of the above-listed standards.

The subject cold-drawn mechanical tubing may also be dual or multiple certified to more than one standard. Pipe that is multiple certified as cold-drawn mechanical tubing and to other specifications not covered by this scope, is also covered by the scope of these orders when it meets the physical description set forth above.

Steel products included in the scope of these orders are products in which: (1) iron predominates, by weight, over each of the other contained elements; and (2) the carbon content is 2 percent or less by weight.

For purposes of this scope, the place of cold-drawing determines the country of origin of the subject merchandise. Subject merchandise that is subject to minor working in a third country that occurs after drawing in one of the subject countries including, but not limited to, heat treatment, cutting to length, straightening, nondestructive testing, deburring or chamfering, remains within the scope of these orders.

All products that meet the written physical description are within the scope of these orders unless specifically excluded or covered by the scope of an existing order. Merchandise that meets the physical description of cold-drawn mechanical tubing above is within the scope of the orders even if it is also dual or multiple certified to an otherwise excluded specification listed below. The following products are outside of, and/or specifically excluded from, the scope of these orders:

(1) cold-drawn stainless steel tubing, containing 10.5 percent or more of chromium by weight and not more than 1.2 percent of carbon by weight;

(2) products certified to one or more of the ASTM, ASME or American Petroleum Institute (API) specifications listed below:

- ASTM A-53;
- ASTM A-106;
- ASTM A-179 (ASME SA 179);
- ASTM A-192 (ASME SA 192);
- ASTM A-209 (ASME SA 209);
- ASTM A-210 (ASME SA 210);
- ASTM A-213 (ASME SA 213);
- ASTM A-334 (ASME SA 334);
- ASTM A-423 (ASME SA 423);
- ASTM A-498;
- ASTM A-496 (ASME SA 496);

- ASTM A-199;
- ASTM A-500;
- ASTM A-556;
- ASTM A-565;
- API 5L; and
- API 5CT

except that any cold-drawn tubing product certified to one of the above excluded specifications will not be excluded from the scope if it is also dual- or multiple-certified to any other specification that otherwise would fall within the scope of these orders.

The products subject to the orders are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7304.31.3000, 7304.31.6050, 7304.51.1000, 7304.51.5005, 7304.51.5060, 7306.30.5015, 7306.30.5020, 7306.50.5030. Subject merchandise may also enter under numbers 7306.30.1000 and 7306.50.1000. The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the orders is dispositive.

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